

FACULTY OF BUSINESS
DEPARTMENT OF MARKETING MANAGEMENT

AN ASSESSEMENN OF PERSONAL SELLING PRACTICE IN NIB INSURANCE
S.C

BY:
SELAMAWIT MAMO

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SMUC

**AN ASSESSEMENN OF PERSONAL SELLING PRACTICE IN NIB INSURANCE
S.C**

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**BY:
SELAMAWIT MAMO**

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FACULTY OF BUSINESS

DEPARTMENT OF MARKETING MANAGEMENT

APPROVED BY THE COMMITTEE OF EXAMINERS

DEPARTMENT HEAD

SIGNITURE

ADVISOR

SIGNITURE

INTERNAL ADVISOR

SIGNITURE

EXTERNAL ADVISOR

SIGNITURE

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CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

According to Kotler, (2002) Personal Selling is the interpersonal arm of the promotional mix, personal selling involved two ways of person communication between sales people and individual customers whether by face to face or telephone. Furthermore, company set self design and managing a sales force to actual personal selling process, personal selling process consist several steps. The process focused on the goal getting new customers and obtains orders from them. However, most sales people spend much of their time maintaining existing accounts and building long-term customer relationship in sales.

Moron and Lunsford, (2005) indicated personal selling characterized by a mutual, two way flow of information between the buyer and seller about goods and services or a combination of both.

Nib insurance company is a private insurance company established in May 2, 2002 by 682 shareholders. Currently the number of the shareholders has reached to 861 and the company's logo is a combination of two highly valued symbols:

- Queen honey bee: it is the leadership in a team work which effectively leads to the production of its sweetest product, the honey.
- The second symbol, Umbrella is a traditional Ethiopia variety symbolizes protection from heavy rain and sun burn.

Together the two symbols of the company's provision of cover against risk on life and property though efficient and quality service and leadership.

It also has a sister company, NIB Bank S.C, one of the leading bank in Ethiopia by expanding its service and increasing its efficiency.

NIB insurance from the outset has emerged as a strong competitive private insurance company and developing a sound portfolio it is demonstrated by the product under writing.

The insurance is a broad based private insurance company in the country with full paid up capital of br.65 million. The company authorized capital is br. 100 million due to the nature of its shareholding base the company has strong business support from a large segment of the public and its shareholder.

The general assemble of the shareholder is the supreme body that appoints board of directors. Over all policy of the company is framed by the board of director consisting of renowned entrepreneurs and professionals from various economic sectors.

NIB insurance has fifteen branches including the main branch in the hub of Addis Ababa, eight outlying branches in Dire Dawa, Adama, Gonder, Mekelle, Awassa, Dessie, Bahirdar and Jimma.

The student researcher will focus on the company's personal selling practice.

1.2 Statement of the Problem

Personal selling is form of person to person commitment which a fewer attempts to assists or persuade prospective buyers to purchase the company product or service. Personal selling involves direct contact between buyers and sellers, either face to face or through some from of communication, such as telephone. Personal selling also involves more immediate and precise feedback because the impact of the sales presentation can be generally be assessed from the customer's reactions (Belch and Belch, 2003). Moreover, Jaramillo and Marshall, (2003) believe that personal selling message have the potential to be

more persuasive than advertising or publicity due to the face to face communication with customer.

Company can use different promotional tools to keep touch with their environment. These tools generally help, increase sales volume, increase profit, to gain the customer and change in loyal customer and soon. In specific different insurance company has their own promotional method to achieve other goals in order to generate sales and get profit.

Effectively design of personal selling helps consumer to get quality service from the company and also quality sales people increase the sales volume of the company. In NIB insurance S.c most of sales people are very poor in communication skill and they have lack of professionalism. In addition the company doesn't give appropriate training and motivation to its sales people. Beside this, they do not have enough know-how about personal selling strategies in particular, to perform their activities. As a result their knowledge and experience to convince customers is poor.

1.3 Basic Research Questions

1. What factors does affect personal selling practice in the case of NIB insurance company?
2. To what extent is the management committed to give trainings improves professional expertise and the effort of its sales people?
3. How the company does allocate budget for its personal selling practice?
4. To what extent the company committed to prepare motivational program for sales people?

1.4.1 General Objective

The general objective of the study was to assess personal selling practice with reference to NIB insurances S.C.

1.4.2 Specific Objectives

The study has the following specific objectives:

1. To indicate personal selling practices in the case of Nib insurance S.C.
2. To identify the extent to which the management is committed to give trainings improve professional expertise and effort of its sales people.
3. To point out how the company does allocate budget for its personal selling practice.
4. To find out the company committed to prepare motivational program for sales people.

1.5 Significance of the Study

The student researcher believes that the study will be aimed to address some significant point that will help different parties which include:

- It helps the student researcher to develop knowledge and skill on how to do research.
- The research study has a great benefit to the company to identify the current status of their personal selling practice.

It helps, as a corner stone for further research who want to conduct a study on this area.

Even if NIB insurance S.C has many branches in and out of Addis Ababa, the student researcher concentrate on personal selling practice of NIB insurance share company in the case of Gurd Sholla branch. Because this branch was selected, the branch is recent branch when compare others. This branch customer has the recent flash back when customers communicate with the sales people and this branch was very welcome branch compare others. The student researcher focused for the period from Sep, 2009 to April 2013. And in order to get the necessary information from the branch manager and customers: means the time present in the company when the student researcher distributes the research question were selected as respondent.

1.7 Research Design and Methodology

1.7.1 Research Design

The student researcher employed descriptive research design in order to describe activities undertaken by the company.

Descriptive research design is typically concerned with determining the frequency with which an event occurs or the relationship between two variables. This type of design is typically guided by an initial relationship between two variables. (Paurav Shukla, 2008)

1.7.2 Population and Sampling Technique

Nib insurance s.c has many customer and employees but the student researcher focused only on the customer and manager. According to Malhotra, (2006) from total population size the student researcher can take 200 people as reliable sample. Since the population size of customer is above 800, the student researcher took 200 respondents and the manager include as respondent for the purpose of the study.

It is difficult to consider the whole population. Since, they have large population size in terms of customers. Company doesn't have the complete list of customer because of this; the student researcher applied non probability sampling technique specifically conveniences sampling: means the accidental customer or the place they present at that time take, and contact managers.

1.7.3 Type of Data Collected

Both primary and secondary source of data was used by the student researcher to get the necessary data and to achieve the objective of the study. From these sources the student researcher collected both primary and secondary data.

1.7.4 Method of Data Collection

The primary data was gathered using questionnaires which was distributed to customer of the company and an interview were conducted the marketing manager. Secondary data obtained from the books, sales records, and periodical report related to the study.

1.7.5 Method of Data Analysis

The data were analyzed by using both qualitative and quantitative data analysis methods. The closed ended questions was analyzed using quantitative data analysis technique, data that was gathered through interview and from open ended questions were analyzed using qualitative data analysis technique. The data which collected quantitatively from the sample respondents was presented by using the percentage and tabulation. The response obtained from interview and open ended questions was summarized and narrated.

While conducting the study, the student researcher mainly faced financial constraints to effectively and efficiently accomplishing the research objectives. When the student researcher say financial constraint, if the student researcher has enough money try to address all branches and the company customer.

1.9 Organization of the Study

The paper was composed four basic chapters. The first chapter contains introduction of the study which include: background of the study, statement of the problem, objective of the study, significant of the study, scope of the study and research design and methodology. The second chapter is further give review of related literature. Chapter three is analyzed and interprets the data. Last chapter is summarize, concludes and recommendations of the study.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1 Overview of Personal Selling

According to Belch and Belch (2003), personal selling is a form person to person communication in which seller attempt to assist and persuade prospective buyers to purchase the company's product and service. Personal selling involves direct contact between buyer and seller, either face to face or through some form of telecommunication, such as telephone communication personal selling also involves more immediate and precise feed back because the impact of the sales presentation can generally be assessed from the customer's react. To add on the above author Kotler (2004) personal selling the interpersonal arm of the promotion mix. Personal selling involves two way personal communications between sales people and individual customers whether face to face, by telephone etc. Also Sherlekar (2004), states that personal selling is refers to oral face to face interaction or conversation between sales representative and prospective customer for the purpose of making sale no other tool of promotion to communication is as strong as personal selling when it comes convincing the prospect, securing the feedback and profitability using it to close a sale and transfer the title from the sellers to the buy.

2.2 Nature of Personal Selling

According to Kotler (2004), selling is the oldest profession in the world. The people who do the selling go by the names: salespeople, sales representative, and agent to name just a few. Today most sales people are well educated, well trained professional who work to build and maintain long term customer relationships .they listen to their customers, assess customers need and organize the company's efforts to solve customer problem.

According to Perrault and Mc Carthy (2005), one of the difficulties of determining the right number and kind of sales people is that every sales job is different. Under this approach the actual functions carried out by someone in sales may be quite different. There are three basic types of sales tasks:

2.3.1 Order Getters

According to Perrault and McCarthy (2005), are considered with establishing relationship with new customers and developing new business. Order getting means seeking possible buyers with a well organized sales presentation designed to sell a good, service or idea,. Order getters must know what they are talking about, not just be personal contacts.

In addition Zikmund and D'Amico (1999) also called creative selling: the sales job is not routine. It must seek out customers analyze their problems, discover how the products for sale might solve those problems, and then bring these solutions to the customer attention.

The other author Alazar (2006), say that this type of sales people establishing accounts or file about the customer during receiving payments and when the customer visits again, the order take with service them on a recorder basis. The retailer clerk who takes payment for product is considered as inside order takes. In this, the buyer has already chosen the product and merely uses the sales person to make payment.

2.3.2 Order Takers

According to Perrault and Mc Carthy (2005), order taking is the routine completion of sales made regulatory to target customer's it usually requires ingoing follow-up to make certain that the customer is totally satisfied. Order takers work on improving the whole relationship with their account not rust on completing a single sale. Moreover, Zikmund and D'Amico (1999) these people,

who do very little creative selling. They write up orders, check invoices for accuracy, and assure timely order processing. The order taker may engage in suggestive selling by suggesting that the customer purchase an additional item.

In addition to this Alazar (2006), the creative selling task requires much more effort and expertise in its execution. Situations where it is implemented range from retail store, though selling and service to individual selling. At the retail level these outlets that have a fully trained and experienced sales staff and emphasize the in store selling and using creative selling.

2.3.3 Supporting Sales People

According to Perrault and McCarthy (2005), their activities are aimed at enhancing the relationship with one customer and getting sales in the long run there are two types of supporting sales people:

2.3.3.1 Missionary Sales People: are supporting sales people who work for producers calling on their middlemen and their customers. They try to develop good will and stimulate demand, help the middlemen,

2.3.3.2. Technical Specialist: are supporting sales that provide technical assistance to order oriented sales people. They are usually more skilled in showing the technical details of their product than in trying to persuade customers to buy it.

In addition to this Alazar (2006), stated that, some personal selling tasks are very indirectly related to sales persons. Rather, it is objective of the effort to generate good will and insure that the buyer is satisfied with the firm's personal selling. The missionary sales person is typically employed in this capacity. He will call on accounts with the express purpose of monitoring the satisfaction of the buyer. There may be some provision of production information in the process, but only as a service to the customer.

The other author's Zikmund and D'Amico (1999), many sales people hold jobs whose titles suggest that they are involved in special selling situation. One salesperson of this sort is the so-called missionary, a sales person who visit prospect customer, distribute information to them, and handle question and complaints but does not routinely take orders. Missionary really serve as customer relation representative.

2.4 Classification of Personal Selling

2.4.1 Retail Sellers

According to Back and Claw (2004), the most common form of retail selling is the single transaction type in which a sales people meets with the customer and work with the type of selling that is rapidly replacing single transactions in shops and stores in the order taker type of sale. In bound telemarketing occurs when employees only handle inbound calls. They do not make initial contacts. Instead, they respond to telephone orders or inquire. Outbound telemarketing means sales representatives call prospective customer or clients. Typical customer products sold in this manner include long distance service, credit cards and service contract for appliances previously purchased. This type of service simply sold the sales representative and that is the fundamental activity driving the relationship. (E.g. insurance company's agents write the contract and the insurance company is responsible for processing claims and other aspects of the relationship with the customer). The second type of service is one in which the person doing the selling also performs the service (e.g. the personal service of hair cut, and so on). These services provide need respect business to succeed. In building profitability for small retail out let and chain stores and these additional functions that make customers happy and keep them coming back.

According to Back and Claw (2004) personal selling is the vital link between a vendor and clients. Effective presentation to business customers can build sales and create positive long term relationship for the vendor, field sales involved the sales person visiting the customer's place of business. Preventatives are made to develop new customers or to encourage repeat business. Presentations are made to develop new customer's encourage repeat business from ongoing customers order getters are sales people who activity seek out new customers and sales. In hour sales, sales people work from the company's office, they handle phone in orders, faxes, and internet accounts. Occasionally the representative makes the initial contacts with the customers, however normally this representative merely responds to or takes orders from ongoing customers, telemarketing, internet, and technology based programs include both inbound and outbound calls. Internet programs and website help firms develop more sophisticated linkages with various customers.

2.5 Personal Selling Strategy

According Chunawalla (2004), objectives are achieved through strangers. Policies provide the guidelines. Selling strategies have two dimensions. What type of sales force is needed and how many of sales people are needed. The overall size of the sales force affect the number of calls made and the frequency with which they are made mostly sales plan are short term and tactical. A larger sales volume target requires more effective and large single sales force that covers the territory intensively.

2.6 Objectives of Personal Selling

The personal selling objectives are formulated, along with the policy, and strategies are designed to implement these objectives. Long term personal selling objective contributes to long term corporate objective such as to get new customers, to service like existing customers by maintaining a relationship

with them to carry the selling task entirely, to provide feedback to the company about the marketers and customer's . He also says that, sales objective are qualitative in terms of direction and quantitative in terms to goals. Quantitative personal selling objective are short term and keep in on changing. The quantitative aspects are related to the operating results that company wants to achieve. Moreover, the most important objective of personal selling is to convince consumers to make a purchase and build long-term relationship with customers. A strong relationship can only build over time and requires regular commutations with a cost. Chnuawalla (2004)

The other authors Cundiff and Govan (2003), stated that qualitative objective are long term are carried over from one operating period to another. But when qualitative objective change, there are changes in nature of sales job and in the size of the sales force. The quantitative persona selling objectives also vary with kind of competitive setting. There objective are short-term and are adjusted from operating period to operating period. In all competitive settings, companies regard the sales volume objectives; influence both the nature of the sales job and sales force size In addition Monga and Anand (2003), personal selling has several qualitative objectives:

- S Seeing selling and only selling
- S Continuing the search for new customers
- S Seeking customers' co-operation
- S Apprising the customers of the dynamic product line and product plan of the management.
- S Informing the customers about the technicalities of the production to reassure them that they do not have to face problem in future.
- S Gathering useful information that can be great use to the firm.

When we talk quantitative objective of personal selling regarding various aspects:-

- S Capturing a certain extent of marketing share

S Adopting a certain level of economic in the personal selling activity

S Achieving a certain level of sales volume

S Establishing a certain number of customers' and other objectives.

2.7. Importance of Effective Selling

According to Sherlekar (2004), salesman is regard as a representation of the whole company. Therefore ,salesman should know all about the product materials from which it is made, how it is used and it is maintained, product features, customer benefits without adequate knowledge of the product a to a customer. Through knowledge of the company, it is product and its completion constitutes the sold background of essential information for effective selling. Then again knowledge gives salesman confidence in them. A sales man must find out as much as possible about the customer's wants and desire and about the buying motives as well as buying habits so that the product can be tailors to these specific requirements. The sales man use AIDA's formula -Attention, Interest, Desire and Action & Satisfaction. Post sale activities are order waiting, arranging for its execution, and facilitating grand of credit, of necessary. Post sales' contacts reduce customer dissonance or dissatisfaction and assure repeat orders.

According to Kotler and Armstrong (2006), successful sales people have a lot of enthusiasm, persistence, initiative, self-confidence, and job commitment. They are committed to sales as a way of life and have a strong customer orientation. Another study suggests that good sales people are independents and self motivated, and are excellent listeners. They must be internally motivated, disciplined, hard working, and able to build strong relationship with customers.

In addition to this the other author Perrault and Mc Carthy (2005), suggested that good sales people don't just try to sell the customer. Rather, they try to help the customer buy by understanding the customer's need and presenting the advantage and disadvantage of their products. Such helpfulness results in

satisfied customer's long term relationship the strong relationship and strong relationship often form the basis for a competitive advantage, especially in business market. The sales people are often a representative of the whole company responsible for explaining its total error to customers rather than just pushing products. The sales people may provide information about products; explain company policies, and even negotiate prices or diagnose technical problems.

2.8 Advantage and Disadvantage of Personal Selling

2.8.1 Advantages of Personal Selling

Personal selling has advantages to different societies according to Beleh and Belch (2003), because of direct interaction messages can be tailored to the receiver. In many personal selling situations, a one to one presentation is conducted. The likelihood in many personal selling situations, a one to one presentation is conducted. The likelihood of minimized and the buyer is generally paying close attention to the sales message. Because of this there is no distraction between them; through consultative selling and relationship marketing, the seller becomes more of a partner in the buying decision process acting in conjunction with the buyer to solve problems. The other author Sherlekar (2004) indicated that on other tools of promotion communication the prospect, securing the feedback and profitably using it to close a sale and transfer the title from the seller to the buyer. Under modern solution-centered salesmanship, a customer's needs are viewed as problems and problems cannot be properly solved until they are defined. It is said that if the problem of the prospect is well told, the goods become more than half sold. He also says that there is minimum waste of effort and expenditure in personal selling or communication. Personal selling has flexibility sales talk and sales presentations can be fitted to the individual needs and motives of a prospect.

According to Belch and Belch (2003), in personal selling disadvantage the message to be communicated is generally designed by the marketing staff with a particular communication objective in mind. Once this message has been determined it is communicated to all receivers. But the sales person may alter this message in ways the marketer did not intend and as the cost per sales call continues to climb, the marketer may find mass communication a more cost effective; need it high cost and also personal selling cannot reach as many members of the target audience as other elements. Given if money were no object, the sales force has only so many hours and so many people it can reach in a given time. In addition to this because of failure to communicate, corporate politics, and myriad other reasons, the sales force and marketing may not be working as a team. The marketing staff may not understand the problems faced by the sales staff there is a conflict between them.

In addition to this author Sherlaker (2004), outlined that high cost personal selling particularly in inflationary contains and the cost of developing and maintaining efficient sales force is quite high. Good and competent sales persons are scarce when compared with other occupations, sales profession is becoming less attractive; in order to this personal selling is both most effective and also the most expensive.

2.9 The Role of Sales Management

Sales management is defined as the planning, direction and control of the personal selling activities of a business unit include recruiting, selecting, training, equipping, assignment, routing, supervising, paying and motivating as their tasks applying to the personal sales force. Sharlekar (2004)

According to Still, Cundiff and Govoni (2003), sales force management is a specialized type of personal management whether personnel management focuses up on sales, production, or office workers, the sales set of problems needs considering, but each problem varies in nature and importance. Furthermore, sales personnel work away from their co-workers and immediate superiors, so it is difficult to develop a spirit of identify with and loyalty to the company and to weld them in to a united team. Most sales personnel visit the home office only inquiringly and centralized direction of their activities is manly by phone and mail.

2.9.1 Size of Sales Force

According to Perrault and Mc Carthy (2005), once the important selling tasks are specified and the responsibilities divided the sales manager must decide how many salespeople are needed. The first step is estimating how much work can be done by one person in some time period. Then the sales managers can make an educated guess about how many people are required in total.

The other author Chunawalla (2004), said that an organization first decides what type of sales people it requires and then how many of them one necessary so as to meet the sales and profit objectives. Too few seals people mean loss of opportunities and too many of them unnecessary expenditure. The exact number of s ales people a company must have is difficult to pinpoint .The basic work load is to be distributed equally amongst the sales people.

Also Kotler (2002), Said once the company clarifies its strategy and structure, it is ready to consider sales force size, sales preventatives are one of the company's most productive and expensive assets. Increasing their number will increase with both sales and coasts. Once to reach, or can use a work load approach to establish sales force size.

2.9.2 Recurring and Selecting Sales People

Recurring sales people: According to Kotler (2006), we indicate that after management has decided on needed traits, it must recruit salespeople. The human resources department looks for applicants by getting names from current sales people, using employment agencies, placing classified advertise and contacting college student. Similarly the other author Sherelkar (2004), say mat recruitment deals with securing as many qualified people as possible so that some of them can select to fill the vacancy.

In addition to this the other authors Sahu and Raut (2004), outlined that recruitment of sales personnel is an endless job for any organization. Recruitment of the might type of sales men possessing all the essential qualifies in sufficient number is necessary to carry out the selling activities of an organization. The success of an organization depends on the performance of its sales force and such performance depends a lot on their quality. The aim of any recruitment policy should always be to choose the right man for the right job. Otherwise, the recruits become a burden on the organization. A good recruitment policy builds a stable and efficient work force and helps in achieving organizational goals and objectives in a planned and systematic manner.

Selection of sales people: According to Sahu and Raut (2004), after the candidates have been socialite for the job by using various sources of recruitments, the sales manager has to take necessary steps to select the best possible candidates as sales man. The main purpose of selection is to find out the right man for the right job in an organization. Moreover, Kotler (2006), Indicated that recruiting with attract many applicants, from which the company must select the best. The selection produced can vary from a single informal interview to lengthy testing and intervening. Many companies give format test to sales applicants. Test typically measure sales aptitude, analytical and organizational skills, personality traits, and other characteristics. He is probably also being informed similarity the other author Sherlkar (2004), says

that the selection process is the information gathering, information education and decision making required screening applicants and choosing among them proper selection will ensure the right person for the right job. It will reduce cost of training as well as selling costs we shall also have stable sales force.

In addition Spiro, Stanton and Rich (2003), outlined that the sales person recruiting process has a strong impact on profits when a firm hires a salesperson whose performance is just acceptable rather than outstanding, it is forgoing additional sales revenues and profit that the outstanding representative would have generated. A good selection program brings about both direct and indirect cost benefits. Substantial direct cost savings are often generated when sales force turnover is reduced. Proper training, compensation supervision, and motivation are vital to successful management of sales force. However, if a company selects the right people for the sales job, training is easier, less supervision is required, and motivation is less difficult.

2.9.3 Training Sales People

According to Kotler and Armstrong (2006), training programs by describing the company's histories and objectives. Salespeople also need to know the company's products. So, sales trainees are shown how products are produced and how they work. They also need to know customers' characteristics. So, the training program teaches them about competitors' strategies and about different type of customers and their needs, buying motives, and buying habits. Because salespeople must know how to make effective presentations, they are trained in principles of selling.

The other author Perrault and McCarthy (2005), indicated that a sales person need to be taught about the company and its products about giving effective sales presentations, and about building relationship with customers. Many sales people do a poor job because they haven't had a good training. Firms often hire new salespeople and immediately send them out on the road or the retail selling floor, with no grounding in the basic selling steps and no

information about the product or the customer. It's up to sales and marketing management to be sure that sales people know what they are supposed to do and how to do it sales training should be modified based on the experience and skills of the group involved. In addition to this Sherelkar (2004), says that good sales man are not born; they are made by well planned and well executed training programs. Trained sales man are able to secure sales orders more quickly, sell more, take easier to manage properly selected sales persons jobs. Trainings is necessary to secure effective and efficient sales. Trained sales force can exercise effective self control of self supervision.

2.9.4 Supervision of Sales People

According to Chuawalla (2004), supervision method is also extensively used to control the sales force. Its ultimate aims performance improvement. As supervisor is a link between the sales and management .He reports about their activities to the company and suggests how to overcome the problems and informs the sales people about the changing nature of environment and company policies. And also solves the actual problems faced in the field. Moreover he takes suitable action on behalf of the management to along the standards and actual performance. The other authors' Sahu and Raut (2008), said that in an organization the success of planning largely depends on the efficient supervision and control of the sales force. In fact, the activities of the salesman have to be supervised and controlled to ensure that the job is done preparedly and affairs are being made towards the achievement of the sales force is extremely important in order to secure the most productive and economical performance from them.

2.9.5 Motivation of Sales People

According to Lancaster and Jobber (1994), the confidence and motivation or sales people are being constantly work down by the inevitable rejection, they suffer from buyers as part of everyday activities. Effective motivation requires a deep understanding of sales people as individual, their responsibilities and

value system. In a sense sales manager do not motivate salespeople what do is provide the circumstances that will encourage sales people to motivate themselves. The other authors Sahu and Raut (2002), the success of any selling organization depends longer up on the ability and willingness of the sales force to work for the achievement of the designed sales goals. A sales man may be capable of doing certain things or achieving a sales target. However, as mentioned the above author, his not willing to do the work, his performance level would not be high and he may even, tool to achieve the sales target. It has been observed that in spite of having the best possible sales force, many organization have failed to achieve the sales objectives because of the lack of motivation within the sale force.

2.9.6 Compensation of Sale People

According to Kotler (2007), to attract good sales people, a company must have appealing compensation plan. The fixed amount usually a salary, gives the salesperson some stable income. The variable amount which might be commission or bonus based on sales performance; reward the salesperson for greater effort and success, expense allowance, which repays salespeople for job related expenses, let sales people, under takes needed and desirable selling force. Single benefits, such as paid vacations sickness or accident benefits, person and life insurance, provide job security and satisfaction.

The other Author still, Cunditt and Govonni (2003,) indicated that individual worried about money matters do not concentrate on doing their jobs well. The plan fits with the rest of the motivational properly. It does not conflict with other motivational factors, such as the intangible feeling of belonging to the sales team. The plan is fair-in doesn't realized sales personnel because of factors beyond their control -with in the limits of seniority and other special circumstances, sales personnel receive equal pay for equal performance. In addition to this Sherlekar (2004), pointed out that the compensation plan is based on the objective set by the marketing program and the personal selling

objectives. It should provide stability of earnings as well as incentives for salesman to increase sales volume, profit and like.

2.10 Role of Sales Force

According to Kotler (2004), salespeople can probe customers to learn more about their problems, and then adjust the marketing offer and presentation to fit the special need of each customer. The role of personal selling varies from company to company. Some firms have no sales people at all. Example, companies that sell only on the or through catalogs, or companies that sell through manufacturer's reps, sales agents or brokers. In most firms, however the sales force plays a major role. In many cases, sales people service both masters the seller and the buyer. First, they represent the company to customers. They find and develop customers and communicate information about the company's product and service. They sell products by approaching customers, presenting their products, answering objections, negotiating price and terms, and closing sales.

According to Sohu and Raut (2004), the selling process refers to a sequential or series of actions undertaken by salesman to convert a prospect into a customer. According to Pillai and Bagavathi (2005), the sales people do the assigned duty. Sales people with his experience must supply information in order to solve problems relating to product or the firm, moreover, he must maintain a good relation with the customers. In addition, must develop a good will for the firm and the products. Process of effective sales:

2.10.1 Prospecting

According to Kotler (2002), the first step in selling is to identify quality prospects. Historically, most companies left it to their sales person to find leads. Now, however, more companies are taking responsibility for finding and qualifying leads so that sales person can use their expensive time doing what they can do best; selling company can generate leads on the different ways:-

- Examine data source
- Putting up a booth at trade show to encourage drop-bus.
- Inviting current customers to suggest the names of prospect
- Cultivation other referral source suppliers, dealers, non competing sales representatives, banks and trade association executives.
- Contacting organization and association to which prospects belong.
- Engaging in speaking and writing activities that with drew attention.
- Using telephone, mail and internet to find leads
- Dropping in unannounced on various offices.

Companies can then quality the leads by contacting them by mail pone to assess their level of interest and financial capacity, The leads can be categorized as hot prospect, warm prospects, and cool prospects, with the prospects turned. Over to the field sales force the warm prospects turned over to the telemarketing unit for allow-up-even then, if usually takes about four calls on a prospect to consummate a business transaction.

The other one author Sahu and Raut (2004), a prospect is the most likely buyer of the product or service that the salesman intends to sell. Therefore, the responsibility of the salesman to find out individuals with specific requirements for the product or service, he intends to sell. Their needs are to be converted in to wants and transformed in to purchases of products and services. In addition Sherlekar (2004), stated that a prospect means a probable buyer the one who brings prospects to the seller's business. Located potential customers have to be qualities, i.e. they must have need, purchasing power, the lineation to buy and buying authoring or power. In addition wood (2008), based on earlier segmentation and targetting decisions management identifies how prospects will be qualified for sales contact.

According to Kotler (2002), the sales person needs to learn as much as possible about the prospect company (what it needs, who is involved in the purchase decision and its buyers their personnel cha and buying styles) and others to learn about the company. The sales person should set call objectives to quality prospect, gather information make an immediate sales.

In addition Sherlekan (2004), on the basis of adequate information of the customer's wants and desire, salesman can prepare his plan of sales presentation of interview. The sales presentation must match to the need to the individual prospect. The other author Sahu and Raut (2004), pin pointed that pelting more detailed information about the potential buyers. At the pre-approach stage, the salesman fires to collect some more information in addition to the background of information about the prospective customer, includes their needs, habits, preferences, nature, behavior economic status, and so on. There is the important information about the prospects which significantly influence their buying behavior.

2.10.3 Approach

According to kotelr (2002), the salesperson should know how to greet the buyer to get the relation of to a good start. The sales person might consider wearing clothes similar to what buyers wear; shows courtesy and attention to the buyers; and avoid distracting mannerisms, such as starting at the customer.

The other author Sahu and Raut (2004). When the sales man personally meets the prospect face to face, he is in a position to understand the prospect better. The salesman at this stage gets ample opportunity and enough time to attract attention to arouse interest and desire of the prospects in the products to arouse interest and desire of the prospects in the products or service he intends to sell. The salesman, at this stage tries his level best to convince the prospect in favor of the product and win his confidence. The approach consists

of two stages. Once it's the attempts to secure an interview and the other is the real approach of the actual interview with the prospect. In addition to Shorlekar (2004), indicated that the approach consists of the two main parts obtaining an obtaining an interview. The salesman must be able to attract the prospect's attentions and yet him interest in the product. It is very important to avoid being dismissed before he can present his products.

2.10.4 Presentation and Demonstrations

According to Kotler (2002), the salesperson now tells the product "story" to the buyers, following the AIDA formula of gaining attention, holding interest, arousing desire, and obtaining action. The sales person uses a features, advantage, benefits, and value approach (FABV).

Companies have developed three different styles of sales presentation the oldest is *the canned approach*, which a memorized sales talk is covering them main point. It is based on stimulus-response thinking; that is, the buyer is passive and can be moved to purchase by the use of the right stimulus words, pictures, terms and actions, *the formulated approach* is also based on stimulus response thinking but first identifies the buyers needs, and buying style and then uses a formulated approach to this type of buyer. *The need satisfaction approach* starts with a search for the customer's real needs by encouraging the customer to do most of the talking. The salesperson takes on the role of a knowledgeable business consultant hoping to help the customer save money or make more money. Sales presentation can be improved with demonstration aids such as, booklets, flip chairs, slides, moves, audio and video cassettes, product sample and computer based simulations.

In addition to Sherkar (2004), sales presentation should be clear concise, to the point and positive, after explaining the product characteristics and expected benefits, the salesman should find out customer's reactions and objections. The prospect can be convinced about the benefits, expected performances and service of product. It must complete: that means, a must cover every point

which is likely to influence the prospect's mind. Nevertheless, Sahu and Raut (2004) mentioned that effective presentation is highly essential in selling goods because generally customers come to a counter attracted by the goods displayed in the window of the shop proper presentation of goods is important in creating and holding the interest of the customer for the products. An effective presentation helps such people to become aware of their needs in specific term and precise manner. Demonstration enables the salesman to show specific features of the products or service more clearly which cannot be presented orally.

2.10.5 Overcoming Objection

According to Kotler (2002), customer almost always pose objection during the presentation or when asked for the order. Psychological resistance includes resistance to interference, preference for established supply source or brands, apathy, reluctance to giving up relationship, unpleasant associations created by the sales represent, predetermined ideas, dislike of making decisions and neurotic created towards many. Logical resistance might consist of objections to the price, delivering schedule or certain product or company characteristics. To handle there objection, The sales person maintains a positive approach as the buyer to clarify the objection, questions the buyer in a way that the buyer has to answer his/her own objection denies the validity of the objection in to a reason for buying.

The other author Sahu and Raut (2004), objections are the feelings of disapproval and usually rose by the prospects. Once an objection is raised, it indicates that the prospect is undecided about the purchase. It is the duty of the salesman to remove all possible doubts and queries from the minds of the prospects which gives birth to objection. In addition other author Sherlekar (2004), suggest that prospects will always try to tersest a sale by raising arguments for not buying the product unless the objection is satisfactory answered, the sale cannot take place. A salesman must always welcome

objections. The clever sales man with always welcome an objection. Interpret the objection correctly and will remove its fact fully without arguing with the customers.

2.10.6 Closing the Sales

According to Kotler (2002), now the salesperson attempts to close the sale some sales people do not get to this stage or do not do it well. They lack confidence or feel uncomfortable about asking for the order or do not recognize the right psychological moment to close the sale. Salespersons need to know how to recognize closing signs from the buyer, including physical action, statements or comments and questions. Salespersons can use one several closing techniques, they can ask for the order, write up the order, ask whether the buyer wants A or B, get the buyer to make minor choices such as the color or size, or indicate what the buyer will lose if the order is not placed now. The sales person might offer the buyer specific inducements to close, such as a special price, an extra quantity, or to give a gift.

The other author Sahu and Raut (2004), closing the sales is nothing but making the prospect say “Yes” to the sales man’s proposition. The objective of closing the sales is to persuade the prospect that he/she should act now and not later, usually in favor of the sales proposition. In other words, it aims at converting a desire into a demand by convincing the prospect in favor of the purchase. If the salesman succeeds in drawing the curtains down at the stage of closing, he is considered efficient. Successful closing, as a matter of fact, provides the tangible results of a sales proposition. In addition Sherlekar (2004), indicated that the salesman must watch for every sign which may indicate that the prospect is willing to buy and apply the close. He must also remember that the initiative must come from him. He cannot wait for the customer to ask for the product. A sale is never complete until the product is finally in the hands of a satisfied user. Salesman alone can assure such completion of sale.

According to Kotler (2002), Are necessary of the salesperson wants to ensure customers satisfaction and repeat business. Immediately after closing, the salesperson should cement any necessary details on delivery time, purchase terms, and other matters that are important to the customer. The salesperson should schedule a follow-up all when the initial order is received to make sure there is proper installation, instruction and servicing. This visit or call will detect any problems assure the buyer of the salesperson's interest, and reduce any cognitive dissonance that might have arisen. The sales person should also develop a maintenance and growth plan for the account. The other author Sahu and Raut (2004), indicated that after an order is received, it is in the best interest of every one involved for the sales person to follow-up with the prospect to make sure the product was received in the proper condition, at the right time, installed properly, proper training delivered, and that the entire process was acceptable to the customer. This is a critical step in creating customer satisfaction and building long-term relationship with customers. If there is no proper follow-up, a once satisfied customer may very well become dissatisfied. The sales man should contact the customer frequently to maintain his good will and smooth over any post purchase problem. The follow up is a goods source of feedback to the salesman. A sale is made not in the mind of the buyer. Sherlekar (2004)

2.11 Budget Determination

According to wood (2008, budgets used to allocate funding a cross programs in specified periods and then track expenditures during implementation budget are time defined allocations of financial outlays for specific functions, programs, customer segments, or geographic regions. Budget the enables marketing managers to allocate expenses by program or activity over specific period and compare these with actual expenditures.

According to Lancaster and Jobber (1994), it has already been shown that the sales forecast is the starting point for business planning activities. The company costing departments takes. Budget state limits of spending; they are thus a means of control. The selling expense budget includes those costs directly attribute to the selling process. (E.g. sales person potential for territories and allowing for work load the overall sales budgets can be allocated in fair manner as possible between sales people. Additionally Wood (2008) suggested that these budgets list costs for each programs' tasks or expense items, presented month by month and with years end totals. Depending on the company's preferred format, marketing mix budgets also may show expected sales, gross or net margins, and other objectives and profitability it helps management weight expected costs against actual costs and results.

CHAPTER THREE

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

This chapter is concerned with the presentation, analysis and interpretation of the data on the basis of data gathered through questionnaire and interview. The student researcher has also observed various activities at Nib Insurance S.c. Types of respondent's manager and customer were subject of the study. Interview was conduct manager of the nib insurance and questionnaires were distributed to the customer of nib insurance S.c.

The total number of questionnaires distributed was 200 outof the total number of customer with in nib insurance S.c. out of 200 questionnaires distributed and returned the questionnaires gives the response in number 160.The student researcher basis of the analysis and interpretation of data on the number of questionnaires correctly filled in and return from the manager and customers.

In this part of the paper data gathered through questionnaire was through analyzed and interpreted one after the other. As indicated above all the data analyzed and interview and respondent were customer and manager at the Nib insurance s.c. so the student researcher basis her analysis and interpretation of data on the number of questionnaires correctly filled in and return from customer and interview of manager of company.

Table 1 General Characteristics of the Respondents

The respondents were started mention from their sex, age, and educational background.

Item	Question	Respondent	
		No	%
1	Sex		
	A. Male	112	70
	B. Female	48	30
	Total	160	100
2	Age		
	A. Below18		
	B. 19-29	62	38.75
	C. 30-40	64	40
	D. 41-50	18	11.25
	E. 51 and above	16	10
	Total	160	100
3	Educational background		
	A. Below 12 grade		
	B. 12 grade complete	34	21.25
	C. Level 1-4	23	14.37
	D. Bachelor degree (BA)	62	38.75
	E. Above BA	41	25.63
	Total	160	100

Source-Questionnaire

As shown in table 1 item 1 out of 160 respondents 112(70%) of them were males while the rest 48(30%) were female. This clearly indicates that in Nib insurance S.C the numbers of male customer respondents were greater than female customer respondents.

On the same table of item 2 in the previous page, respondents ages are asked and there is no under 18 years respondents out of 160, 62(38.75%) respondents are between the age range of 19-29, number of respondents who were found in the age range between 30-40 years 64(40%), number of respondents who were found in the age range between 41-50 years 18 (11.25%), and the respondents age above 51 years there were 16(10%). In these data we can easily understand the number of respondents are between the age range of 30-40 years were covered the majority of respondents, this consider for this paper respondents.

With respect to item 3 of table 1 in the previous page we can see Nib insurance company customer educational background. In this term there were no under 12 grade respondents, and number of respondent were in 12 complete 34(21.25%), the number of respondents graduated with level 1-4 while 23(14.37%), the number of respondents in BA Degree 62(38.75%), the number of respondents above BA degree 41(25.63%). In this term the student researcher can easily understand majority of the customer of the company education background is BA, it consider for this paper.

Table 2 Analyses about Type of Organization

Item	Question	Respondent	
		No	%
4	Type of organization?		
	A. Manufacturer	29	18.13
	B. NGO	11	6.88
	C. Service provider	89	55.62
	D. Government	23	14.37
	E. Other please describe	8	5.0
	Total	160	100

According to item 4 of table 2 in previous page, which indicate type of organization that these respondents are representing, 29(18.13%) of the respondents indicated that there are manufacturers, 11(6.88%) of them were NGO, 89(55.62%) of them were service providers, 23(14.37%) of them were government organizations, while 8(5%) of them indicated that they are other organization. Based on the data indicated above the student researcher can infer that majority of the respondents come from service provider companies.

Table3 Analysis of How Long Stay the Customers.

Item	Question	Respondent	
		No	%
5	How long have you been customer of Nib insurance s.c?		
	A. Below 1 years	40	25
	B. 1-3 years	80	50
	C. 3-5 years	24	15
	D. Above 5 years	16	10
	Total	160	100

Source-Questionnaire

As indicate in table 3 of item 5, the number of sample respondent's pass the year in the company below 1 years 40(25%), 80(50%) of them pass 1-3 years in this company, 24(15%) of them pass 3-5 years, the others 16(10%) of them the time they pass in Nib insurance is above 5 years. based on the data indicated the student researcher can assume the majority of respondents stay in 1-2 years in the company.

Table 4 Analysis of Service Purchase from the Company

Item	Question	Respondents	
		No	%
6	What kind of service do you mainly purchase from the company?		
	A. Life insurance	8	5
	B. Motor insurance	24	15
	C. Material insurance	48	30
	D. Third party insurance	77	48.12
	E. Any other please describe	3	1.88
	Total	160	100

Source-Questionnaire

In table 4 of item 6, the customer purchase the service from the company was 8(5%) of respondents are life insurance service they buy, 24(15%) of respondents buy motor insurance, 48(30%) of respondents respond the service they bought was material insurance, 77(48.12%) of them service they buy third party insurance. Other were bought; machine insurance, advance hand gerent insurance and performance band gerent insurance also included. This tells us in this study the majority of respondents the service buy from the company is third party insurance: means the owners buy insurance for his/her employee.

Table 5 Analysis to Know the Way you Know the Company

Item	Question	Respondent	
		No	%
7	How did you know Nib insurance s.c?		
	A. Through advertize	24	15
	B. Through its sales person	40	25
	C. Through word of mouth	90	56.25
	D. Other please describe	6	3.75
	Total	160	100

As indicated in table 5 item 7 in the previous page, the sample respondents comes through advertising 24(15%) customers, 40(25%) of them comes by sales persons, 90(56.25%) of respondents comes through word of mouth means by friends, neighbors, group of people and likes communicate one to others and 6(3.75%) of them know the company by different things. Based on the data indicated the student researcher infer the company customer come in the company is by word of mouth advertising.

Table 6 Analysis Personal Selling Effort

Item	Question	Respondents	
		No	%
8	How did you rate the personal selling effort of the company?		
	A. Very good		
	B. Good	29	18.13
	C. I don't know	112	70
	D. Bad	19	11.87
	E. Very bad		
	Total	160	100

Source-Questionnaire

As indicated in table 6 of item 8 at the previous page, among the sample no respondents say very good, 29(18.13%) of respondents sales person effort were good, 112(70%) of them are I don't know, 19(11.87%) of them are bad, there were no respondents about very bad. This implies the personal selling of the company was not doing active activity in the market because the majority respondents respond I don't know.

item	Question	Respondent	
9	To what extent do you agree sales people of the company have adequate service knowledge?	No	%
	A. Strongly agree	4	2.5
	B. Agree	31	19.37
	C. I don't know	111	69.38
	D. Disagree	9	15.63
	E. Strongly disagree	5	3.12
	Total	160	100

Source-Questionnaire

As indicated in table7 of item 9, out of the sample respondents 4(2.5%) of strongly agree sales people have adequate service knowledge, 31(19.37%) of them said that they agree, 111(69.38%) of them said that they are I don't know, 9(15.63%) of them they are disagree, and 5(3.12%) of them said that they are strongly disagree the sales persons knowledge is not enough respective of the profession. This implies that the sales people of the company have not known by the customer because the numbers of majority respondents respond neutral.

Item	Question	Respondent	
10	To what extent are you satisfied with the persuasive skill of sales people?	No	%
	A. Very satisfied	3	1.88
	B. Satisfied	29	18.13
	C. I don't know	112	70
	D. Dissatisfied	4	8.74
	E. Very dissatisfied	2	1.25
	Total	160	100

Source-primary data

According to item 10 of table 8, which indicate the persuasive skill of sales person that these respondents are replied, 3(1.88%) indicated that they are very satisfied, 29(18.13%) of them are satisfied, 112(70%) of them are I don't know, 4(8.74%) of them are dissatisfied, while 2(1.25%) of them are very dissatisfied. It indicated customer do not have any idea because that majority of the respondents respond I don't know.

Table 9 Analysis of Sales Follow-up

Item	Question	Respondent	
11	Sales people make sales follow up frequently?	No	%
	A. Strongly agree		
	B. Agree	24	15
	C. I don't know	35	21.88
	D. Disagree	87	54.37
	E. Strongly disagree	14	8.75
	Total	160	100

According to item 11 of table 9, which indicate the sales people make frequent follow up that these respondents are not respond, 0(0%) indicated that they are strongly agree, 24(15%) of them are agree, 35(21.88%) of them are I don't know, 87(54.37%) of the are disagree, while 14(8.75%) of them are strongly disagree. It indicated majority of customer respond disagree. It shows after they sell the service, sales people do not make sales follow-up.

Table 10 Analysis of Collect Information

Item	Question	Respondent	
12	Sales people collect the necessary information from your work place?	No	%
	A. Strongly agree		
	B. Agree	18	11.26
	C. I don't know	56	35
	D. Disagree	67	41.87
	E. Strongly disagree	19	11.87
	Total	160	100

Source-Questionnaire

According to item 12 of table 10, which indicate the sales people collect necessary information in customer place, these respondents are not respond, for strongly agree, 18(11.26%) of them are agree, 56(35%) of them are I don't know, 67(41.87%) of the are disagree, while 19(11.87%) of them are strongly disagree. Based on the data indicated above the student researcher can understand that majority of the respondents respond disagree. It shows the customer and sales people there is no any contact between them.

Item	Question	Respondent	
13	Does Sales people activity involves in solving your problems with respect to company services?	No	%
	A. Strongly agree		
	B. Agree	39	24.38
	C. I don't know	54	33.75
	D. Disagree	53	33.12
	E. Strongly disagree	14	8.75
	Total	160	100

Source-Questionnaire

According to item 13 of table 11, which indicate the sales people activities to solve the customer problem these respondents are not respond for strongly agree, 39(24.38%) of them are agree, 54(33.75%) of them are I don't know, 53(33.12%) of them are disagree, while 14(8.75%) of them are strongly disagree. Based on these the data indicated majority of the respondents respond I don't know but when come to see the second largest number shows respondent respond disagree. It shows sales people not available after they sale.

Item	Question	Respondent	
14	If you use other similar competitor company's service, how do you rate the personal selling effort of the company?(if you are not use other competitor please skip these question)	No	%
	A. Very good		
	B. Good	26	16.26
	C. I am not use	77	48.12
	D. Bad	51	31.87
	E. Very bad	6	3.75
	Total	160	100

Source-Questionnaire

Table 3.12 shows no one says very well when they compared, customers compared the other competitor 26(16.26%) were said good, 77(48.12%) respondent are I am not use, 51(31.87%) of respondent are replied badly with compared other, and the last 6(3.75%) of respondent replied as they point of view is very bad they compare other similar company. That shows most of customer not use competitor service.

Table 13 Analysis of the Expectation of the Customer

Item	Question	Respondent	
15	Do you get the service offered by the company in the same way as you expected?	No	%
	A. Strongly agree	34	21.25
	B. Agree	108	67.5
	C. I don't know		
	D. Disagree	18	11.25
	E. Strongly disagree		
	Total	160	100

Source-primary data

According to item 15 of table 13, which indicate the customer can get that the company give they expected, these respondents are respond (21.25%) indicated that they are strongly agree, 108(67.5%) of them are agree, respondent not respond to I don't know, 18(11.25%) of the are disagree, while respondent not respond about strongly disagree. Based on the data indicated above the student researcher can infer that majority of the respondents respond agree.

Item	Question	Respondent	
16	Do you think there are problems during communicate with the sales person?	No	%
	A. Yes	81	50.62
	B. No	36	22.5
	C. I don't remember	43	26.88
	Total	160	100

Source-Questionnaire

According to item 16 of table 14, which indicate the relationship between customer and sales people can get the problem when they are communicate, these respondents are respond 81(50.62%) indicated that they are answer yes, 36(22.5%) of them are no, 43(26.88%) of them are they don't remember.. Based on the data indicated above the student researcher can understand that majority of the respondents respond yes there were a problem during they communicate.

3.15 Analyses of the Problems of Communication

In this section the student researcher tries to collect similar respondent's idea as one. The respondents raised different problem was happening, like;

- > Lack of understanding between the customer and sales people
- > Lack of timing
- > Lack of attention
- > Sometimes they need only getting the money, sales people were very egger to get money
- > Lack of knowledge and communication skill
- > When they come the office person were busy
- > There were no first impression like dressing, smile and other included

3.16 Analysis of the Respondent General Idea about the Company of Sales People

For this last question the respondents respond from 160 out of 33 were answer at the same idea express different words and sentence and the other respondent raise good idea. The last question was;

If you have any additional comment regarding personal selling activities of Nib insurance s.c, please write down.

- > Nib insurance sales persons are very good and knowledgeable about their company.
- > In the point of view of customers, the company sales person has their own positive and negative side. Instead of this for the first time they come is very good after they agree they are not available when you want.
- > Most of the time sales people don't have professional knowledge.
- > Once you come to represent one thing you have to know what you talk, you don't have to say I don't know because it's yours.
- > In day to day experience competition become increase in double rate so we have to run if we can as a leader otherwise equal

3.2 Analysis of major findings

Manager Interview

The interview has been made with the general manager of the Nib Insurance; the manager has responded some of the question:

- > The first question was, do you think unprofessional selling people are achieving the company personal selling objective? The manager answered as the company 'No'. The student researcher raise one additional question, so why u recruit unprofessional person? And the manager said, because they have lack of budget for the personal selling.

- > The second question was, for what particular purpose do your companies give trainings to its sales person? The manager answered for knowledge development and achieving the company selling objective.
- > The third question was who is responsible for undertaking the recruiting and selecting of employee in your company? The manager replied Broker offer, marketing department for sales agents, and human resource development for company's staff.
- > The forth question was, When does your company give training for the sales person? The manager said before actual selling activity on job.
- > The fifth question was, would you point out some factors of recruiting and selecting practice in your organization? The manager answered sales agent, the person education background, communication skill and others.
- > The six questions were does the company use consistency motivation method? How? The manager said 'Yes' a bit, for sales agent, the amount of payment is based on volume of business depends.
- > Question seven was, if there are any complaints about sales person, how do you solve it? The manager answer 'Yes', by giving training to sales person.
- > Question eight was, to what extent management committed to improve the professional sales person? The manager replied the management of the company is highly committed to improve the professional sales person but in this section has lack of budget.
- > Question nine was, can you explain the difference between professional and unprofessional person? The manager replied professional sales person is knowledgeable based on, product and service differentiation, customer satisfaction, the market and others where as unprofessional sales person whatever the person is good there is lack of something.

- > **Question ten was, are you satisfied with persuasive skill of your company's sales people compare with other competitor sales people? The manager said 'Yes'.**
- > **Question eleven was, does the company allocate enough budgets to operate the personal selling practice? The manager answered 'No'. The student researcher asked 'why?' but the manager not interested to talk this.**
- > **Question twelve was, If you have any additional information and comment about personal selling practice of the company you can raise before we close our interview? The manager said 'No'.**

CHAPTER FOUR

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

The main objective of this study is to assess and analysis the practice of personal selling as a promotion tools the Nib Insurance uses and to identify the problems encounter in the personal selling practice. In order to achieve this objectives related literature reviewed, questionnaire were distribute for customer, and relevant interview ware conducted with the manager of Nib Insurance s.c. data collected from questionnaire, interview were analyzed and presented using percentage and table respectively and from analysis the following finding summary, conclusion, and recommendation are drawn.

4.1 Summary of the Major Findings

The major findings of the study are summarized here under

- > To generalized characteristics of respondents; out of 160 respondents 112(70%) of them were males.**
- > The respondents the age range between 30-40(40%) years were covered the majority of respondents, this consider for this paper respondents.**
- > With respect to Nib insurance company customer educational background majority of the customer of the company education background is BA 62(38.75), it consider for this paper respondents.**
- > Nib insurance company type of organization that these respondents are representing, majority 89(55.62%) of the respondent come from service provider companies.**
- > Majority 80(50%) of respondents stay in 1-2 years in the company.**
- > According to this study the majority 77(48.12%) of respondents the services buy from the company are third party insurance.**
- > According to the majority 90(56.25%) of customer know the company by word of mouse advertising.**

- > As indicated the sales person effort of the company was not doing active activity in the market because the majority 112(70%) respondents respond neutral.
- > The majority 111(69.38%) respondents respond neutral that the sales people have adequate service knowledge.
- > According to the persuasive skill of sales people majority 112(70%) of the respondents respond neutral.
- > The data indicated sales people make frequent sales follow up above the majority 87(54.37%) of the respondents respond disagree.
- > The sales people collect necessary information in customer place, the data indicated above the majority 67(41.87%) of the respondents respond disagree.
- > Based on the data indicated sales people of the company solving customer problem the majority 54(33.75%) of the respondents respond neutral.
- > Customers compared company with other similar company competitor, the majority 77(48%) of customer were replied neutral.
- > According to customer expectation, the data indicated above the majority 108(67.5%) of the respondents respond agree.
- > Based on the data indicated the majority 81(50.62%) of the respondents respond yes there were a problem during they communicate.
- > In the point of view of customer, the company sales people have their own working experience. Because of this they show different characteristics based on their educational label and life style.
- > According to the management of the company, company does not set enough budgets because of that they are not given appropriate training and motivation. And also company recruit unprofessional people in low payment. The company gives training before actual selling activity. The failures happen between customers and sales people. And also company give motivational program depending on amount of payment or salary base, it gives for the sales agents.

Based on the finding discussed above, the following conclusions are drawn;

- The personal selling practice in the company is used as a major promotional tool, it helps company increase the sales volume and
- The company do not have appropriate sales training program for sales people. This makes the sales people not sufficiently expert of assessing customer providing information about the benefit and feature of the service.
- And also the company do not have appropriate motivation program for the sales people because company give motivation depends on the salary base or depends on payment.
- The company believes unprofessional people can't achieve the company objectives but company recruited unprofessional people because of not assigning appropriate budget for personal selling practice.
- The company sales people do not make frequent sales follow-up after sales. Because of this there is a gap between the company and customer. Customer not doing sales follow-up company can't know what they feel.
- The company does not properly supervise the personal selling activities it affect the company sales objective because the company could not ensure what the sales people doing in the field area with the customer.
- The company promotional budget with respect to personal selling practice activities is not adequate to serve the purpose. Unless the company is ready to allocate validate budge to personal selling.

Based on the summarized findings and the conclusion drawn from the study; the student researcher would like to further certain recommendations so as to lighten observed problems. To promote the service of the company, personal selling is found to be an effective promotional tool. Therefore, the company should develop successful implementation policy of personal selling practice and implement the following recommendations.

- The company should pay due attention to personal selling activities as far as its major promotional tool used is personal selling.
- The company should provide training programs for the sales people. In order to equip them with scientific knowledge of sales and marketing because having additional knowledge help them assist customer in providing information about benefit and feature of the service and the company and also the market related information.
- The company should increase the number of professional sales people which has to be improved in the future to address the entire targeted market goal sales and to collect feedback from the customer.
- The management of the company should design appropriate supervision and monitoring system to make close follow-up of sales people which in charge of the personal selling activities. An effective method of supervision, direction, and control of sales force is very important to achieve or exceed the expected performance in doing personal selling activities.
- The company should make proper recruitment and selection of sales people to find the right place at the right job qualification. And in addition should provide motivational programs for all sales people whatever the salary is high or low. The sales people when they do the

best score or achieve the sales objective company has to motivate their sales people. Company have to give like it base bonus, gifts, letter of greatness, developing working level and other included.

- The company should set adequate promotional budget respect to personal selling activities which has to be carefully considered by the company to get a better result regarding its personal selling.
- Generally, the study state that the company needs professional people and enough budget for the personal selling. Moreover company requires careful design and implementation of appropriate personal selling policy as part of its promotion policy to achieve its goals and objectives. The company has to design new appropriate promotional policy with respect to personal selling program that would help the sales people and minimize the customer loss.

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Appendixes

Appendix A
ST. MARY'S UNIVERSITY COLLEGE
FACULTY OF BUSINESS
DEPARTMENT OF MARKETING MANAGEMENT

Questionnaire filled by customers of NIB Insurance Share Company. The purpose of this questionnaire is to gather information and opinion to support a study of an assessment of personal selling practice in the case of NIB Insurance Share Company. Thus, your frank and sincere response to the items in the questionnaire will help to meet the objective of the study. The data you provided will be kept confidential and will be used only for academic purpose.

NOTICE

- > No need of writing your name**
- > Please mark your answer using an “X” mark in the given box**
- > Please, be as brief as possible answering the open-ended questions.**
- > Thank you in advance for your cooperation!**

Part I. General Characteristics

1. Sex

A. Female B. Male

2. Age

A. Below 18

C. 30-40

E. 51 and above

B. 19-29

D. 41-50

3. Educational Background

A. Below 12 grade

C. Certificate

E. Bachelor degree (BA)

B. 12 grade complete

D. Diploma

F. Above BA

Part II. Questions Related To the Study

1. Types of organization?

A. Manufacturer

C. Service provider

B. NGO

D. Government

2. When did you come to NIB Insurance Share Company?

- A. Below 1 year** **C. 3-5year**
B. 1-3 years **D. above 5**

3. What type of service do you mainly purchase from the company?

- A. Life Insurance** **C. Material Insurance**
B. Motor Insurance **D. Third Party Insurance**
E. Any other please describe_____

4. How did you know NIB Insurance Share Company?

- A. Through advertises**
- B. Through its sales persons**
- C. through word of mouth**
- D. by default**

E. If your answer for question number 4 is ‘B’ how many times you get that sales person? Please write down.

5. How do you rate the personal selling effort of the company?

- A. Very Good** **C. I don't know** **E. Very Bad**
B. Good **D. Bad**

6. To what extent do you agree you sales people of the company have adequate service knowledge?

- A. Strongly Agree** **C. I don't know** **E.Strongly disagree**
B. Agree **D. Disagree**

7. To what extent are you satisfied with the persuasive skill of sales people?

- A. Very satisfied** **C. I don't know** **E. Very dissatisfaction**
B. satisfied **D. Dissatisfied**

8. Sales people make sales follow up frequently?

- A. Strongly Agree** **C. I don't know** **E.Strongly Disagree**
B. Agree **D. Disagree**

9. Sales people collect the necessary information from your place?

- A. Strongly Agree C. I don't know E.Strongly Disagree
- B. Agree D. Disagree

10. The sales people activity involves in solving your problems with respect to company's service?

- A. Strongly Agree C. I don't know E. Strongly Disagree**
B. Agree D. Disagree

11. If you use other similar competitor company's service, how do you rate the personal selling effort of the company? (if you are not use other competitor please skip there question)

- A. Strongly good C. I am not use E. Strongly bad**
B. Good . D. Bad

12. Do you get the service offered by the company in the same way as you expected?

- A. Strongly Agree C. I don't know E .Strongly Disagree**
B. Agree D. Disagree

13. Do you think there are problems during communicate with sales person?

- Yes B. No**

14. If your answer for question number 14 'Yes' please write what kind problem you face? _____

15. If you have any additional comment regarding personal selling activities of the NIB insurance company, please write down? _____

Appendix B

ST. MARY'S UNIVERSITY COLLEGE

FACULTY OF BUSINESS

DEPARTMENT OF MARKETING MANAGEMENT

Interview will be answered by the management of NIB insurance share company. The purpose of this interview is to gather information and opinion to support a study of answer assessment personal selling practice in the case of NIB insurance share company. Thus, your frank and sincere response to the questions will help to meet the objective of the study. The data you provided will be kept confidential and used only for academic purpose.

Thank you in advance for your time!

- 1. How you join NIB insurance share company?**
- 2. What is your role in the company?**
- 3. How your company mostly applied source of employees?**
- 4. Do you think unprofessional selling people are achieving the company personal selling objective?**
- 5. For what particular purposes doe your companies give trainings to its sales person?**
- 6. Who is responsible for undertaking the recruiting and selecting of employee in your company?**
- 7. Would you point out some factors of recruiting and selecting practice in your organization?**
- 8. Does the company use consistency motivation method? How?**
- 9. If there are any complaints about sales person. How do you solve it?**
- 10. What extent management committed to improve the professional sales person?**
- 11. Does the company allocate enough budgets to operate the personal selling practice?**
- 12. If you have any additional information and comment about personal selling practice of the company you can raise before we clause our interview?**

DECLARATION

Candidate's Declaration

,I undersigned, declare that this senior essay is my original work,
prepared under the guidance of Ato Yalew Gorfu all sources of
materials used for the manuscript have been duly acknowledged.

Name: Selamawit Mamo

Signature_____

Place of Submission: - ST.MARY'S UNIVERSITY COLLEGE

DEPARTMENT OF

MARKETING MANAGEMENT

Date of Submission

ADVISOR'S DECLARATION

This paper has been submitted for examination with my approval as
the university college advisor

Name: Yalew Gorfu

Signature.

Date



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